

Origins of a Special Relationship

CIA Liaison With the British Intelligence Community, 1942-56

Cleveland C. Cram

“

Despite the close cooperation and agreement on operating ground rules, disagreements did arise, especially about OSS operations into occupied Europe from Britain.

”

Ah, those first OSS arrivals in London! How well I remember them arriving like jeune filles en fleur straight from a finishing school, all fresh and innocent, to start work in our frowsty old intelligence brothel. All too soon they were ravished and corrupted, becoming indistinguishable from seasoned pros who had been in the game for a quarter century or more.

*Malcolm Muggeridge
Wartime SIS Officer*

The liaison relationship of CIA with the British intelligence community began with the establishment of the Office of Strategic Services (OSS) in 1942 and the arrival in Great Britain of OSS personnel shortly thereafter. The OSS contingents were soon in contact with various elements of the Secret Intelligence Service (SIS)—often also called MI6—as well as MI5 (the British Security Service), the Special Operations Executive (SOE), and somewhat later with Bletchley Park, where the cryptographic work was done. One of the most important OSS elements, X-2, or the counterintelligence section, was immediately integrated with Section V of SIS and was made privy to a part of the ULTRA system (ISK and ISOS) that dealt solely with the breakouts from the German intelligence organs.

In June and July 1942, Col. William Donovan, Chief of OSS, and Gen. Sir Stewart Menzies, Chief of SIS, made an agreement for the “interchange of all information of every

character which might be of mutual interest.” The first chief of OSS in Britain was Col. David K. E. Bruce.

New York and London

Early in World War II the British had enlarged their Passport Control Office in New York (in reality the SIS main station in America) by the addition of numerous personnel to promote propaganda on Britain’s behalf in the United States, as well as to conduct liaison with various US Government agencies, principally the FBI. In 1942 the office in New York was designated as British Security Coordination (BSC) and placed under the command of Sir William Stephenson, a Canadian World War I hero. Stephenson and Donovan were close friends and allies, and both enjoyed access to the highest levels of their respective governments. Stephenson, on the instruction of Churchill and Menzies, did everything possible to assist the fledgling American intelligence service. At its height, the BSC had about 200 personnel in the United States, while the OSS peaked at something over 2,000 in the United Kingdom.

Despite BSC’s size and clout plus the presence of the able Stephenson, the focal point of the liaison tended as the war progressed to be in London. Training for eventual OSS operations in Europe was done there, the counterintelligence units were merged partially in a Joint War Room in the famous Ryder Street

Cleveland C. Cram served in the Directorate of Operations.

CONFIDENTIAL NOFORN**British Intelligence**

premises, and OSS personnel and teams were increasingly dispatched from the United Kingdom to North Africa, Italy, and other points in Europe. Despite the close cooperation and agreement on operating ground rules, disagreements did arise, especially about OSS operations into occupied Europe from Britain. The outstanding diplomatic skills of Colonel Bruce, however, resolved them all amicably. After D-Day the problem largely evaporated as OSS units moved from Britain and North Africa into France to join military units in the great push northeastward toward Nazi Germany.

Postwar Developments

In the summer of 1944, Colonel Bruce left London for France along with a growing number of other OSS personnel as operations shifted to the Continent. This exodus accelerated with the end of the European war, and, by Japan's surrender, it was a minor flood. Despite the protests of Donovan and others, President Truman dissolved the OSS on 1 October 1945.

With the end of OSS, the Research and Analysis Branch was transferred to the State Department and the espionage and counterintelligence branches became known as the Strategic Services Unit (SSU) under the War Department. By the end of 1945 what was left of SSU in Britain was centered in London and was under the command of a young Lt. Cdr. Winston M. Scott, [redacted]

(b)(3)(c)

“
**With the abolition of OSS,
 it appeared to SIS there
 was no real service left
 in Washington with whom
 to conduct liaison
 except the FBI.**
 ”

Scott's greatly diminished SSU station in London numbered probably no more than about (b)(3)(c) [redacted] including the communications unit, but in January 1946 it was vastly larger than the SIS equivalent in Washington. There were several reasons for this:

- The new postwar Labor government in Britain immediately slashed the SIS budget in line with its own priorities and in keeping with its belief an era of world peace had arrived.
- General Menzies and the British Government in general believed the American intelligence service had expired with the abolition of OSS and viewed SSU as strictly a “winding up” operation.
- Menzies himself probably viewed the end of OSS as a blessing (toward the end of the war OSS had been unseemly anti-British in Southeast Asia), and he and others in SIS were prepared to let the Anglo-American intelligence relationship expire.

Furthermore, an agreement between SIS and the US Government called for the dissolution of BSC upon the Japanese surrender. With the abolition of OSS, it appeared to SIS there was no real service left in Washing-

ton with whom to conduct liaison except the FBI. Therefore, the sole remaining SIS officer, Peter Dwyer, aided by his female assistant, a Canadian lady named Geraldine Dack, were accredited for intelligence purposes to the FBI only.

CIG and CIA

The euphoric view that world peace had come with the surrender of Japan was rapidly evaporating in the reality of menacing actions by the Soviets everywhere in Europe. President Truman, having earlier rejected Donovan's plan for a centralized intelligence agency, in January 1946 created the Central Intelligence Group (CIG). Six months later, SSU was merged into CIG, and soon after it became known as the Office of Special Operations (OSO). In September 1947 CIG became the CIA under the provisions of the National Security Act of 1947.

(b)(1)
 (b)(3)(c)
 (b)(3)(n)

(b)(1)
(b)(3)(c)
(b)(3)(n)

(b)(3)(c)
(b)(3)(n)

Winston M. Scott, who was born in 1909, was a mathematician with degrees from the University of Alabama and a doctorate from Michigan. He put himself through college playing professional baseball during his summer vacations. After Pearl Harbor, he became a special agent for the FBI but left in January 1944 to join OSS. Because of his FBI experience, he was immediately assigned to X-2, the counterintelligence arm of OSS.

After being commissioned in the Navy and trained in X-2, he was sent to London, arriving in June 1944. He was immediately put into the MIS training course for two months, after which he was assigned to the German desk in the SIS/OSS Joint War Room. He remained head of the German desk until he became head of X-2. In December 1945, Col. John Bross, who had been named Chief of Station London for SSU, departed London for the United States. Scott was named his successor. After Scott had been promoted to head of the German desk in X-2, he did not move over to Germany or opt for demobilization. The reason it now seems clear is that Scott had developed a strong romantic attachment to an Anglo-Irish girl whom he eventually would marry. So Scott, with his small SSU staff, bunkered down and awaited developments.

Because of Scott's early training by MIS and his long association with the Joint War Room, Scott enjoyed close personal and professional relations with key people in both British services. The fact that he could take these people to the US Embassy dining room for steak dinners and could provide considerable amounts of alcoholic spirits from the Embassy commissary made Scott a useful man to know in intelligence circles in dreary, rationed, postwar England. By October 1946, SSU field personnel were transferred to OSO/CIG.

(b)(1)
(b)(3)(c)
(b)(3)(n)

CONFIDENTIAL NOFORN

British Intelligence

(b)(1)

(b)(3)(c)

(b)(3)(n)

(b)(1)
(b)(3)(c)
(b)(3)(n)

ful: Anthony Cave Brown's *The Last Hero: Wild Bill Donovan*; David K.E. Bruce's memoir *The OSS Against Hitler*; William Casey's *The Secret War Against Hitler*; Robin Winks's *Cloak and Gown*; H. Montgomery Hyde's *The Quiet Canadian*; and Nigel West's *The Friends: Britain's Post-War Intelligence Organizations*. Dr. Ray Cline's *Secrets, Spies and Scholars* was helpful for the early London station organization on the DI side.

Interviews were done with a number of CIA officers.

(b)(1)
(b)(3)(c)
(b)(3)(n)

A Note On Sources

Such OSS/SSU files as are available at the National Archives are in a chaotic state. The personnel and administrative files appear missing and may have been destroyed. For this work some books proved help-

The CIA archives are not of much help because much of the early mate-

rial (b)(1)
(b)(3)(c)
(b)(3)(n)ne is true for much of the early communications relating to policy.

(b)(1)
(b)(3)(c)
(b)(3)(n)

(b)(1)
(b)(3)(c)
(b)(3)(n)

This article is CONFIDENTIAL NOFORN.

